

R E M A R K S

By this Amendment the specification has been amended to include topic headings and to reflect the deletion of Figs. 32, 33 and 35 (see concurrently filed Letter Re Drawings), claims 1, 5, 9, 10 and 12-15 have been amended to better define the invention, and claim 19 has been canceled. Entry is requested.

In the outstanding Office Action the examiner has objected to the drawing because Figs. 28-31 do not depict a reflection enhancing layers and Figs. 32-34 do not depict an HRI layer.

The inventors wish to point out that Figs. 28-31 indeed do not show a reflection enhancing layer, but instead show metalized and unmetalized areas 3, 4 which are formed from a prior reflection-enhancing layer. The specification has been amended to make this clear.

Regarding the examiner's comments regarding Figs. 32-34, Fig. 34 is correct but indeed Figs. 32, 33 and 35 fail to show an HRI layer or resulting areas 3, 4. As such, Figs. 32, 33 and 35 are being deleted.

The examiner has rejected claims 1 and 5 under 35 U.S.C. 112, first paragraph, as being based on a non-enabling disclosure (claim 1 omits

the metal layer of claim 10), and she has rejected claims 1-22 under 35 U.S.C. 112, second paragraph, as being indefinite and unclear.

By the present Amendment these claims have been amended to overcome these rejections.

The examiner has provisionally rejected claims 1-22 on the ground of non-statutory obviousness-type double patenting over claims 1-22 of copending application Serial No. 10/511,721, alone or in view of Phillips et al.

A suitable Terminal Disclaimer relative to Serial No. 10/511,721 is submitted herewith.

The examiner has rejected claims 1, 3-6, 9-16, 21 and 22 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al., she has rejected claim 2 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al. and Small et al., she has rejected claims 7 and 8 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al. and Melling et al., she has rejected claims 17-20 under 35 U.S.C. 103(a) as being unpatentable over Schneider et al. in view of Phillips et al. and Kaule et al. '241, and she has rejected claims 17-20 under 35 U.S.C. 103(a) as

being unpatentable over Schneider et al. in view of Phillips et al. and Kaule et al. '813.

The applicants assert that these rejections are without merit. In this regard, the essence of the present invention is the combination of a transparent magnetic layer formed from a hard magnetic material having a particular composition together with indicia formed from a combination of opaque and non-opaque regions. It is accepted that Schneider et al. disclose a security substrate with the indicia, but this patent makes no reference to the use of any magnetic layer, let alone one with the particular characteristics required in the present invention.

While Phillips et al. describe a substrate with a magnetic layer which is formed from a printed magnetic ink, the examiner seems to have overlooked the fact that the magnetic ink particles are oriented prior to the ink curing to provide novel and interesting visual effects. Hence, the magnetic materials used cannot be clear and transparent, otherwise they could not be used to form a visual effect.

As such, not only would a person of ordinary skill in the art not combine the teachings of these two documents as the visual features of Phillips et al. would interfere with the visual features of Schneider et al.,

but neither does the combination of the two patents disclose all of the features of claim 1. Hence, it is submitted that both claim 1 and claim 5 are novel and inventive over the cited prior art.


Nothing in Small et al., Melling et al., Kaule et al. '241 or Kaule et al. '813 would change this.

Favorable reevaluation is requested.

Respectfully submitted,

DYREMA GOSSETT PLLC

By:


Richard H. Tushin
Registration No. 27,297
Franklin Square, Third Floor West
1300 I Street, N.W.
Washington, DC 20005-3353
(202) 906-8600

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FIG. 31.

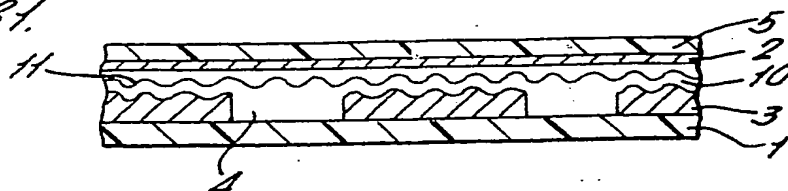


FIG. 32.

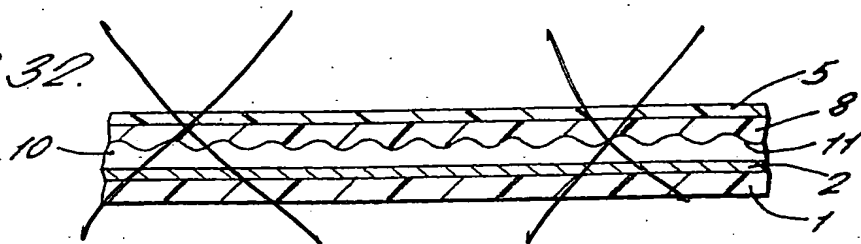
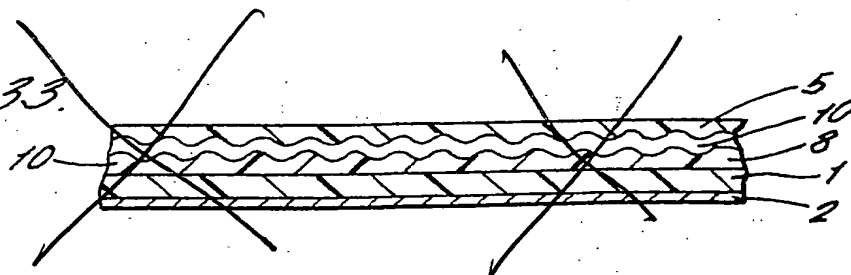
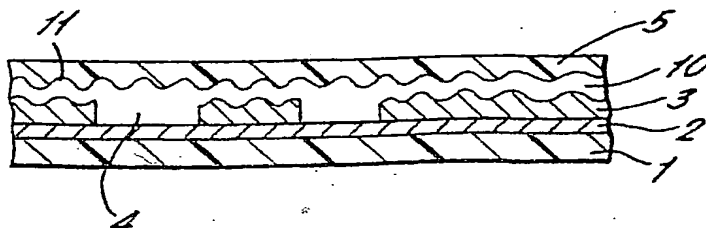


FIG. 33.



32
~~FIG. 31~~





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FIG. 35

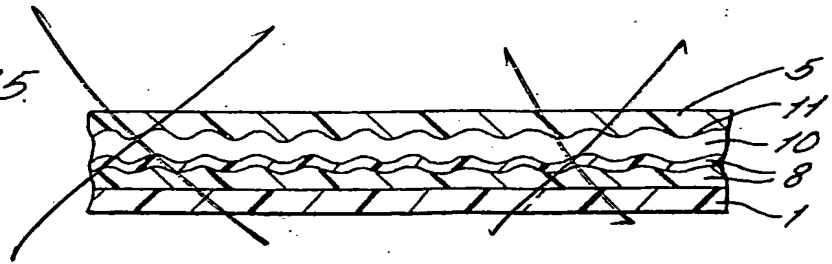


FIG. 33

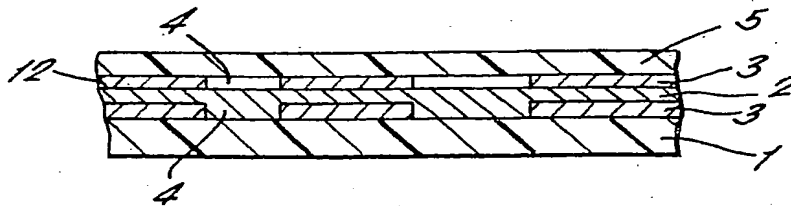


FIG. 34

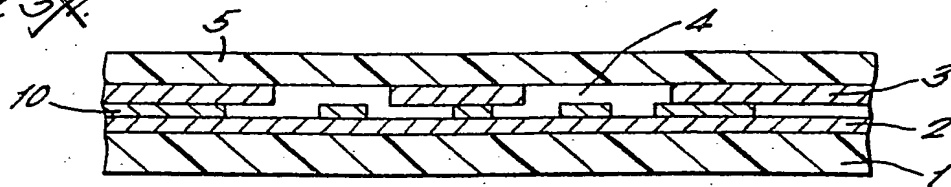


FIG. 35

